



*RENEWABLE
ENERGY
PROGRAM*

**CALIFORNIA
ENERGY
COMMISSION**

EXISTING RENEWABLE FACILITIES PROGRAM

GUIDEBOOK

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Gray Davis, Governor

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I - Introduction

This *Existing Renewable Facilities Program Guidebook* is one of several guidebooks the California Energy Commission (Energy Commission) has adopted to implement the Renewable Energy Program pursuant to Senate Bill 1038 (SB 1038, Sher, Statutes of 2002, Chapter 515). It describes the requirements for receiving funding under the Existing Renewable Facilities Program (ERFP) element of the Renewable Energy Program.

The Energy Commission has adopted other guidebooks to address the requirements for the other elements of the Renewable Energy Program as well as guidelines governing the overall administration of the program. The *Overall Program Guidebook* describes how the program will be administered and includes information on requirements that apply to all program elements of the Renewable Energy Program.

To qualify for funding under the ERFP, applicants must satisfy the requirements contained in both the *Overall Program Guidebook* and this *Existing Renewable Facilities Program Guidebook*. This guidebook supersedes the previous guidebook, *Existing Renewable Resources Account Guidebook*, Fifth Edition.

II - Purpose

The ERFP is designed to improve the competitiveness of existing in-state renewable generating facilities, as well as secure for California the environmental, economic, and reliability benefits these facilities provide by continuing to operate.

The Renewable Energy Program is funded under SB 1038, with funds collected from the ratepayers of the three largest investor-owned utilities (IOU) in California to support existing, new, and emerging renewable electricity generation technologies. For more information about the Renewable Energy Program, please visit the Commission's website at www.energy.ca.gov/renewables.

III - Overview

The ERFP provides funding in the form of production incentives to eligible renewable facilities for each kilowatt-hour of eligible electricity generated. To qualify for funding, applicants must ensure that the renewable facility and electricity generated meet a number of requirements. The facility must utilize a renewable energy source to generate electricity, and the facility must be located within the state or located near the state's border and have its first point of grid interconnection within the state. In addition, the electricity generated must not be sold under a fixed price contract with an

energy price above the applicable target price¹, receive incentives from the Agricultural Biomass-to-Energy Incentive Grant Program, be used on-site, or sold in a manner avoiding competitive transition charge payments.

Applicants for eligible renewable facilities must register with the Energy Commission as a renewable supplier and meet further eligibility requirements to apply for funding. Qualifying generators are issued one of two certificates: one for being a registered renewable supplier or one showing that the facility is a registered renewable supplier eligible to receive funds from the program. Two separate certificates are issued because only a subset of the facilities that are eligible for registration as renewable suppliers are eligible for funding. This subset includes facilities utilizing biomass, solar thermal, or wind energy. Applicants for any facility that participated in the Existing Renewable Resources Account under Senate Bill 90 (SB 90, Sher, Statutes of 1997, Chapter 905) are required to re-register and update their information in order to qualify for funding under the ERFP. All applicants seeking funding must apply to the Energy Commission by submitting form CEC-1038E-2.

Applicants that are eligible for funding must submit monthly invoices to document and receive funding for their eligible generation. The Energy Commission reviews these invoices and makes incentive payments based on the eligible generation and the applicable production incentive rate.

Program Funding

The ERFP has been allocated \$27,000,000 annually. Of this amount, \$20,250,000 is available to facilities utilizing biomass or solar thermal technology. These facilities are referred to as Tier 1 facilities. The remaining \$6,750,000 is available to facilities utilizing wind technology, which are referred to as Tier 2 facilities.

The funds available to each tier annually are allocated monthly in equal amounts. Any funds not disbursed in a given month are rolled over into the following month for distribution within the same tier. The Energy Commission may reallocate any unused funds from one tier to another if the funds remain unused for two or more months and the Energy Commission determines a need for the reallocation exists.

Production Incentive Rate

ERFP funds are paid to eligible renewable suppliers in the form of a simple cent per kilowatt-hour (kWh) production incentive. The incentive rates vary by tier and are based on the **lowest** of three possible calculations:

- 1) the difference between a pre-determined target price and market price,
- 2) a pre-determined cents per kWh cap, or

¹ This applies to any facility that receives energy payments for a majority of its generation that were known or ascertainable at the time the contract was entered into or amended, and the fixed price portion has an annual average that is greater than the applicable ERFP target price.

- 3) the funds-adjusted price for the tier. The funds-adjusted price is calculated as follows:
 - a) divide the total funds available in a month by the total payments due that month (as calculated using the minimum of formulas (1) and (2) above) to obtain an adjustment fund multiplier (AFM)), and
 - b) multiply the minimum of formula (1) and (2) by the AFM to determine the funds-adjusted price for each facility.

The pre-determined target prices and incentive caps for each tier are shown in Table 1 below.² At this time the Energy Commission does not see a need to adjust the target prices for inflation. However, the Energy Commission plans to revisit the issue of inflation adjustments and, if appropriate, make necessary changes to target prices to account for changing market conditions.

Table 1
Target Prices and Payment Caps
for Existing Renewable Facilities
(cents per kWh)

		2002	2003	2004	2005	2006
Tier 1 (Biomass, Solar Thermal)	Target Price	5.50	5.37	5.37	5.37	5.37
	Cap	1.0	1.0	1.0	1.0	1.0
Tier 2 (Wind)	Target Price	3.8	3.8	3.8	3.8	3.8
	Cap	1.0	1.0	1.0	1.0	1.0

Determination of Market Price

For facilities eligible to receive funding from the ERFP, the value of the market price will be determined on a monthly basis according to one of the following options, depending on the type of power purchase contract a facility has for its energy payments. Additionally, the determination of the market price may vary by year and tier.

Determination of Market Price for 2002 (Average Monthly Energy Prices)

- 1) For facilities with an IOU power purchase contract, the value of the market price shall be the monthly time-period weighted average short-run avoided energy cost (SRAC) **specific to each of the three major utility service areas** (Pacific Gas &

² The target prices and caps shown in Table 1 differ from those in the Commission's Investment Plan, *Investing in Renewable Electricity Generation in California (P500-00-022, June 2001)*, due to changes in market conditions since the Investment Plan was published.

Electric Company (PG&E), Southern California Edison Company (SCE), or San Diego Gas & Electric Company (SDG&E)). This applies to facilities receiving variable monthly payments based on the SRAC for a majority of their generation.

- 2) For facilities with contracts receiving fixed monthly average energy prices for a majority of their generation, the value of the market price for all generation from the facilities will be the fixed monthly average energy price, as specified in the contract, paid for a majority of their generation³ (e.g. with Department of Water Resources (DWR), the California Power Authority (CPA), an IOU, etc).
- 3) For facilities that do not fall under the provisions of options (1) or (2) above, the market price will be determined by the Energy Commission based on the actual energy price received by the facility. In many cases, this value will be the SRAC price, as listed in option (1) above, which was used as the representative market price for all facilities not under a utility contract from 1998 through 2001.

Determination of Market Price for 2003 to 2006

For facilities in Tier 2, the market price shall be determined using average monthly energy prices as specified above for 2002.

When registering for the first time or re-registering for the ERFP, applicants for facilities in Tier 1 **ONLY** will have the one-time option of having their market price based on average monthly energy prices as specified above for 2002 or on time-of-use (TOU) energy prices. Whichever method is chosen shall remain in effect until the end of 2006. For those choosing to have incentive payments based on TOU prices, the TOU periods that will be considered are those specified in the IOU contracts (e.g. on-peak, partial-peak, mid-peak, off-peak, and super off-peak). The Energy Commission will **NOT** make payments based on hourly fluctuations in market prices. To receive incentive payments based on TOU energy prices, third party statements submitted must clearly summarize generation by TOU periods in addition to meeting all the requirements specified later in this guidebook (Section V). For facilities that qualify to have their ERFP incentive payments based on TOU energy prices, the value of the market price for all generation from the facilities will be based on the TOU energy prices paid for a majority of their generation (e.g. for a facility that receives 75% of payments based on 5.37 cents/kWh and 25% based on SRAC, the market price for all generation will be based on the 5.37 cents/kWh TOU prices). Furthermore, the Energy Commission will use the TOU generation values specified in the third party verification, without adjustment.

Applicants who choose to have payments based on TOU prices, but do not have third party statements that meet the Energy Commission's requirements, will have payments based on average monthly energy prices until their third party verification is in the appropriate form. Additionally, these applicants will need to provide the Energy

³ For facilities that signed 5.37 cents/kWh amendments and receive 75% of payments based on 5.37 cents/kWh and 25% based on SRAC, the market price will be 5.37 cents/kWh. For facilities in the PG&E territory that signed 5.37 cents/kWh amendments, the market price will be approximately 6.0 cents/kWh during the winter period and 4.7 cents/kWh during the summer period. (Exact values will be used for calculating payments)

Commission with documentation on their process to obtain third party verification that is in compliance with the Energy Commission's TOU requirements. Failure to do so in a timely manner will result in the facility being paid based on average monthly energy prices until 2006.

IV - Registration

To register a facility as a Renewable Supplier, applicants must satisfy the requirements below and submit a completed form CEC-1038E-1, Registration Form for Renewable Suppliers, to the Energy Commission. Applicants that meet the funding eligibility requirements below and wish to receive funds from the ERFP must submit a completed form CEC-1038E-2. This requirement applies to all applicants, including applicants whose facilities received funding under SB 90. **NO** payments shall be made to any applicant that fails to submit the necessary forms and information.

Renewable Supplier Registration

To qualify for registration as a Renewable Supplier, an applicant must ensure that the facility satisfies the following requirements:

1. The facility must use one or more of the following energy sources to generate electricity: solar, wind, geothermal, solid-fuel biomass, waste tire, municipal solid waste, digester gas, or hydropower with a generating capacity of 30 megawatts or less. The 30 megawatt limitation applies to the sum capacity of all hydroelectric turbine generators employed at the facility.
2. The facility may use no more than 25 percent fossil fuel. This percentage is determined on an annual basis in a manner consistent with section 292.204(b) of Title 18 of the Code of Federal Regulations. This section provides that the content of all fossil fuels used, in the aggregate, may not exceed 25 percent of the total energy input of the facility during a given calendar year.

Registration as a Renewable Supplier does **NOT** imply Energy Commission endorsement or verification of renewable status. Registration as a Renewable Supplier merely indicates that the applicant has certified under penalty of perjury that its facility meets the registration requirements of a Renewable Supplier and has obtained a CEC ID number from the Energy Commission.

Funding Eligibility Registration

Facilities registered as Renewable Suppliers are eligible for funding if they satisfy the requirements below and apply to the Energy Commission by submitting a completed Form CEC-1038E-2, Funding Eligibility Form for Renewable Suppliers.

1. The facility must be located in California, or located near California's border with its first point of interconnection to the Western Electricity Coordinating Council's transmission grid located in California.
2. The facility was operational prior to September 26, 1996 **AND** is certified as a qualifying small power production facility pursuant to section 292.207 of Title 18 of the Code of Federal Regulations. This includes repowered facilities.
3. The facility is **NOT** owned by an electrical corporation as defined in Public Utilities Code section 218 or a local publicly owned electric utility as defined in Public Utilities Code section 9604(d).
4. The facility is **NOT** selling its generation under a fixed price contract with energy prices above the applicable target price. This applies to any facility with a power purchase contract that provides energy payments for a majority of a facility's generation that are based on a price per unit measure of electricity that (1) was known or ascertainable at the time the contract was entered into or amended and (2) has a fixed price portion greater than the applicable ERFP target price.

In addition, a facility's energy must be generated **AFTER January 1, 2002** and meet the following requirements.

1. The energy must be sold to customers **WITHIN** the state of California.
2. The energy must **NOT** receive monthly energy payments at a price equal to or greater than the applicable target price.
3. The energy must **NOT** be used on site (self-generation).
4. The energy must **NOT** be sold to customers of local publicly owned electric utilities.
5. The energy must **NOT** receive incentive payments from other Renewable Energy Program elements under SB 1038 or the Energy Commission's New Renewable Resources Account under SB 90.
6. The energy must **NOT** be excluded from any applicable competitive transition charge payments (such as over-the-fence transactions⁴) or sold in a manner avoiding these payments.
7. The energy must **NOT** receive funding under the Agricultural Biomass-to-Energy Incentive Grant Program pursuant to Food and Agriculture Code sections 1101, et sequentia.

Energy from incremental generation additions or enhancements to a facility, and energy sold through a power exchange, is also eligible for funding from the ERFP.

⁴ See Section 372 of the Public Utilities Code.

In addition to Form CEC-1038E-2, Renewable Suppliers applying for funding must submit a completed State of California Vendor Data Record (STD-204). The state of California requires all parties entering into business transactions that may lead to payment(s) from the state to provide their Taxpayer Identification Number (TIN) as required by the State Revenue and Taxation Code, Section 18646, and Internal Revenue Code, Section 6109. This form must be on file with the Energy Commission before any payments can be made. If you have any questions about this form, please contact the California Franchise Tax Board at 1-800-852-5711. In addition, corporate and limited liability entities must be in good standing on the records of the California Secretary of State to receive payments. The Energy Commission will check a Renewable Supplier's standing with the Secretary of State when reviewing applications for funding eligibility and notify the Renewable Supplier if there are any problems.

In addition, all suppliers applying for funding must submit a completed CEC-1038E-4 form, Authorized Signature Form. Only monthly invoices signed by persons listed on this form shall be accepted.

All forms necessary to apply for registration and funding are available in Section VII of this guidebook, on the Energy Commission website, or by contacting the Energy Commission's Call Center.

Website: <http://www.energy.ca.gov/renewables/>

Call Center E-mail: Renewable@energy.state.ca.us

Call Center Phone: (800) 555-7794

Completed original forms **must** be mailed to:

California Energy Commission
Attn: Tony Goncalves
Renewable Energy Program
California Energy Commission
1516 Ninth Street, MS-45
Sacramento, CA 95814-5512

Applicants may submit their forms by telefax to meet a submittal deadline, provided the original forms are subsequently submitted by mail. Forms should be telefaxed to (916) 653-2543. See Section VII of this guidebook for instructions on completing forms.

A facility's qualifying generation becomes eligible for funds after the date the Energy Commission receives its completed forms, provided the Energy Commission determines the facility is eligible to receive funding. Pre-registration generation is not eligible, with one exception. The Energy Commission cannot register facilities or determine funding eligibility until after it formally adopts this guidebook. Therefore, for January 2002 through February 2003 **ONLY**, a facility's generation will be eligible for funding as long as the Energy Commission receives the facility's eligibility forms by close of business (5 p.m.) on March 10, 2003.

After March 10, 2003, applicants wishing to register and be eligible for funding must have their forms to the Energy Commission no later than close of business (5 p.m.) on the first business day of the month if they are to be eligible to receive incentive payments for that month's generation. Applicants submitting forms after this time will not be eligible for funds until the following month.

If an applicant is ineligible for funding when it applies for Renewable Supplier registration, it should apply for funding eligibility at the beginning of the month that the facility becomes eligible. For example, a Renewable Supplier should apply for funding eligibility on or before June 1, 2003, if its fixed price contract with an energy price above the applicable target price ends on June 15, 2003, as it will become eligible for funding on this date. In this example, only the qualifying portion of energy generated in June 2003 would be eligible for funding.

Processing Registration and Eligibility Forms

The Energy Commission expects to review and process applications for registration and funding eligibility within 10 business days of their receipt, unless questions or concerns arise regarding the applications. If questions arise, the applicant will be contacted and may be asked to submit additional information. Otherwise, the Energy Commission will notify applicants in writing once registration and funding eligibility is determined.

If an application for registration is approved, the facility will be issued a certificate from the Energy Commission stating the facility is a registered Renewable Supplier, along with a five-digit supplier number to be used in all subsequent transactions. If a facility's application for funding eligibility is approved, the registered Renewable Supplier will be issued a five-digit supplier number along with a certificate stating that it is eligible to receive funds from the ERFP. All funding eligibility certificates issued under SB 90 provisions become null and void on the date this guidebook is formally adopted by the Energy Commission. Facilities that are eligible for funding from the ERFP will be issued a new funding eligibility certificate.

Updating Registration and Eligibility Forms

All program participants must submit new forms identifying changes if any of the information submitted on their original registration, eligibility, Vendor Data Record, or authorized signature form changes. Any new forms submitted should be noted as amendments to the original application forms. From time to time, the Energy Commission may require facilities to submit revised forms to ensure all data are current.

V - Incentive Payment Process

To receive funding, an authorized representative of the Renewable Supplier must submit monthly invoices to document the facility's eligible generation along with a written third-party verification of the eligible electricity generated. The Energy Commission then reviews these invoices and makes incentive payments based on the

eligible generation and the applicable production incentive rate. See Section VII of this guidebook for the monthly invoice form (CEC-1038E-3) and instructions for completing this form.

A written statement from an independent third party verifying the facility's electricity production data for the billing month must accompany the facility's invoices. The third party must be independent of the facility and gather data on the amount of electricity production supplied by the facility to the transmission grid or distribution system on a monthly basis. This may be a utility, the Independent System Operator created pursuant to Section 330 of the Public Utilities Code, an aggregator, a scheduling coordinator, or other similar entity.

Renewable Suppliers that do not use an IOU utility statement as their third-party verification must include a signed letter from an independent third party verifying the facility's generation. This letter must be submitted to the Energy Commission by the Renewable Supplier, be on the third-party's letterhead, and include at a minimum: facility name, facility CEC ID number, generation month, and total generation for the month. If the independent third party's statement is **NOT received** in time to submit it with the facility's invoice, the Renewable Supplier is expected to submit its monthly invoice with other evidence of the amount of eligible power generated during the billing month. A letter explaining that the third party's statement could not be submitted and describing the evidence submitted in its place must also be submitted with the invoice.

The Energy Commission will evaluate monthly invoices submitted without third party verification on a case-by-case basis and notify the Renewable Supplier whether the amount claimed in the invoice, or any part of it, will be accepted and paid. The Energy Commission may elect to pay only that portion of the amount invoiced which appears to be reasonable, given the evidence submitted in support of the invoice, the prior months' generation, and other factors deemed pertinent at the time of evaluation. The third party statement **must** be subsequently furnished to the Energy Commission when available, so payment adjustments can be made for any differences in the estimated eligible generation and actual eligible generation. Please note that all monthly invoices and third party statements submitted to the Energy Commission become **public records** and are subject to public disclosure.

Invoices shall be submitted to the Energy Commission by the due dates shown in Table 2, Invoicing Schedule.

Invoices may be **submitted by telefax or by mail** to the following address:

California Energy Commission
Renewable Energy Program
Attention: Accounting Office, MS-2
1516 Ninth Street
Sacramento, CA 95814-5512

Telefax: (916) 653-1435

The Energy Commission must receive invoices at the above address no later than 11:59 p.m. if by telefax or 5 p.m. PST if by mail, on the due date specified in the Invoicing Schedule. If an invoice is incomplete, illegible, or received after the due date specified in the Invoicing Schedule, the Renewable Supplier will be notified by fax why the invoice is rejected. This notice will be faxed to the contact person identified on the eligibility form or monthly invoice form. The Renewable Supplier is responsible for ensuring that the contact information is up to date and current.

Renewable Suppliers who fail to invoice the Energy Commission properly for a given billing month, as specified herein, shall **NOT** receive payment for that billing month.

After receiving invoices, the Energy Commission will calculate payments based on the incentive rate formulas and market price options described in Section III of this guidebook.

The ERFP will not provide incentive payments to a facility with energy prices above the applicable target price. The authorized representative of a Renewable Supplier is responsible for providing the Energy Commission with sufficient proof to document the prices received for generation funded through the ERFP. Failure to provide adequate documentation shall result in **NO** incentive payments being made until such time as appropriate documentation is provided.

The Energy Commission will not require disclosure of the actual energy prices received for any month in which a facility does not seek ERFP funding. For facilities receiving payments under SRAC, a utility statement (which should be submitted as third-party verification) shall be sufficient to meet this requirement.

Agricultural Biomass-to-Energy Incentive Grant Program Participants

For facilities that received Agricultural Biomass-to-Energy Incentive Grant Program funding (Agricultural Grant Program) for January through June 2002 purchases, the following method will be used to determine incentive payments from the ERFP:

1. All facilities that participated in the Agricultural Grant Program and are requesting ERFP funds for January through June 2002 shall submit proof of the total incentive funds received for eligible purchases from the Agricultural Grant Program during the 2001/2002 fiscal year.
2. When submitting monthly invoices to the ERFP for the months of January through June 2002, participants in the Agricultural Grant Program shall submit proof of monthly payments from the Agricultural Grant Program for the months being invoiced. Absent the appropriate proof of monthly payments, the Energy Commission shall assume that, for each month being invoiced, the facility received 1/12th of the total funds received for the 2001/2002 fiscal year from the Agricultural Grant Program.

3. The Energy Commission shall calculate incentive payments from the ERFP as described in this guidebook and then subtract the value obtained in (2) above from this value. If no payments are made from the ERFP for a given month, the facility simply keeps the value determined in (2) above.

Payments

The Energy Commission intends to make incentive payments within 60 days of the end of the billing month. Table 2, Invoicing Schedule, lists invoice due dates and anticipated payment mailing dates. The payment for your January 2003 generation, along with the retroactive payments for January through December 2002, should be mailed to you on or about March 31, 2003. However, given the large number of invoices that will need to be reviewed, payment for 2002 and/or January 2003 generation may be delayed. Payment for your February 2003 generation should be mailed on or about April 30, 2003, and so on. The Energy Commission will send a statement that explains how the payment was calculated for the billing month. The statement will also give the program-to-date status both for your facility and for the entire tier of which you are a part. A sample statement for January 2003, using the numbers in the sample below, is included at the end of this guidebook. [*Sample statement will be included with the final adopted guidebook only.*]

Periodically, the Energy Commission may make adjustments to your monthly payment (for instance, it may be necessary to correct a meter reading or reporting error from prior months). These adjustments will be reflected on your monthly statement.

Sample Calculation of Incentive Payment

Below is an example of how the incentive payment would be calculated for a Tier 1 facility in PG&E's service territory for January 2003 based on an average monthly energy price. In the example, any numbers used other than target prices and caps are for illustration only and should not be considered accurate representations of market price, expected available funds, individual renewable facility generation, or total renewable generation.

Tier 1 funds available for January 2003	\$1,687,500
Target price for Tier 1	5.37 cents/kWh
Cap for Tier 1	1.00 cents/kWh
Market Price (PG&E's SRAC)	2.90 cents/kWh
Total qualifying generation in Tier 1	300,000,000 kWhs
Facility generation for January 2003	15,000,000 kWhs
Tier 1 funds to be paid using minimum of (Target - Market Price) and Cap	\$1,875,000
Adjustment Fund Multiplier (AFM)	0.90 (\$1,687,500/\$1,875,000)

Using these numbers to calculate the three payment formulas, the results would be:

1) Tier 1 target price - market price	2.47 cents/kWh
2) Tier 1 Cap	1.0 cents/kWh
3) Minimum of 1) and 2) (from above) multiplied by the AFM	0.9 cents/kWh

In this example, the lowest of the three formulas would be number 3; therefore, for January 2003, the Tier 1 facility would receive 0.9 cents per kilowatt-hour, or \$135,000.

VI – Future Program Requirements

Facility Monitoring

The Energy Commission intends to review individual facility generation to ensure that the overall purpose and objectives of the program are being met. In instances where a decline in generation occurs, the Energy Commission may conduct a more thorough investigation of the facilities in question to determine the causes of the degradation in production and uses of ERF funds. The Energy Commission may revise program elements if continued funding in these cases seems inconsistent with program goals.

Prevailing Wage Requirements

Pursuant to Public Utilities section 399.14, subdivision (h), the Energy Commission is working with the Department of Industrial Relations to clarify the application of the State's prevailing wage law to Renewable Suppliers receiving production incentives under the ERF. Section 399.14(h) provides as follows:

Construction, alteration, demolition, installation, and repair work on an eligible renewable energy resource that receives production incentives or supplemental energy payments pursuant to [Public Utilities Code] Section 383.5, including, but not limited to, work performed to qualify, receive, or maintain production incentives or supplemental energy payments is a "public works" for the purposes of Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 of the Labor Code.

In general, any construction or repair work defined as "public work" under Labor Code section 1720, is subject to state's prevailing wage law, which imposes an obligation on private contractors to pay prevailing wages and obligation on award bodies to ensure prevailing wages are paid. If the Department of Industrial Relations determines that Renewable Supplier's are subject to the prevailing wage law by virtue of their receipt of ERF production incentives, the Energy Commission will implement program changes to ensure prevailing wage requirements are addressed.

Definitions

For definitions of pertinent terms refer to the *Overall Program Guidebook* for the Renewable Energy Program.

Table 2
Invoicing Schedule

Billing Month	Invoice Due Date*	Anticipated Payment Date
January through December 2002	March 10, 2003	March 31, 2003
January 2003	March 10, 2003	March 31, 2003
February 2003	April 10, 2003	April 30, 2003
March 2003	May 12, 2003	June 2, 2003
April 2003	June 10, 2003	June 30, 2003
May 2003	July 10, 2003	July 31, 2003
June 2003	August 11, 2003	September 1, 2003
July 2003	September 10, 2003	September 30, 2003
August 2003	October 10, 2003	October 31, 2003
September 2003	November 10, 2003	December 1, 2003
October 2003	December 10, 2003	December 31, 2003
November 2003	January 12, 2004	February 2, 2004
December 2003	February 10, 2004	March 1, 2004
January 2004	March 10, 2004	March 31, 2004
February 2004	April 12, 2004	April 30, 2004
March 2004	May 10, 2004	June 1, 2004
April 2004	June 10, 2004	June 30, 2004
May 2004	July 12, 2004	August 2, 2004
June 2004	August 10, 2004	August 31, 2004
July 2004	September 10, 2004	September 30, 2004
August 2004	October 11, 2004	November 1, 2004
September 2004	November 10, 2004	November 30, 2004
October 2004	December 10, 2004	December 31, 2005
November 2004	January 10, 2005	January 31, 2005
December 2004	February 10, 2005	February 28 2005
January 2005	March 10, 2005	March 31, 2005
February 2005	April 11, 2005	May 2, 2005
March 2005	May 10, 2005	May 31, 2005
April 2005	June 10, 2005	June 30, 2005
May 2005	July 11, 2005	August 1, 2005
June 2005	August 10, 2005	August 31, 2005
July 2005	September 12, 2005	September 30, 2005
August 2005	October 10, 2005	October 31, 2005
September 2005	November 10, 2005	November 30, 2005
October 2005	December 12, 2005	January 2, 2006
November 2005	January 10, 2006	January 31, 2006
December 2005	February 10, 2006	February 28, 2006
January 2006	March 10, 2006	March 31, 2006
February 2006	April 10, 2006	May 1, 2006
March 2006	May 10, 2006	May 31, 2006
April 2006	June 12, 2006	June 30, 2006
May 2006	July 10, 2006	July 31, 2006
June 2006	August 10, 2006	August 31, 2006
July 2006	September 11, 2006	October 2, 2006
August 2006	October 10, 2006	October 31, 2006
September 2006	November 10, 2006	November 30, 2006
October 2006	December 11, 2006	January 1, 2007
November 2006	January 10, 2007	January 31, 2007
December 2006	February 12, 2007	February 28, 2007
* Invoices are due approximately 40 days after the billing month. If the invoice due date falls on a weekend or State of California Holiday, invoices are due on the next business day.		

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VII - Forms, Instructions, and Samples

CEC-1038E -1 -- Registration Form for Renewable Suppliers

CEC-1038E -2 -- Funding Eligibility Form for Renewable Suppliers

CEC-1038E -3 -- Monthly Invoice Form for Renewable Suppliers

CEC-1038E -4 -- Authorized Signatures Form

STD-204 -- Vendor Data Record

Sample of Monthly Payment Statement

Instructions for CEC-1038E-1 Registration Form for Renewable Suppliers

To qualify for registration as a Renewable Supplier, the facility must use one (or more) of the following energy sources to generate electricity: solar, wind, geothermal, solid-fuel biomass, waste tire, municipal solid waste, digester gas, or hydropower with a generating capacity of 30 megawatts or less. The facility can not use more than 25 percent fossil fuel. The facility may be located in California or out-of-state. Being registered as a Renewable Supplier does not automatically make you eligible for funds from the ERFP; to be eligible for funding, you must meet the eligibility requirements outlined in the guidebook. Furthermore, registration as a Renewable Supplier does **NOT** imply Energy Commission endorsement or verification of renewable status. Registration as a Renewable Supplier merely indicates that the applicant has certified under penalty of perjury that its facility meets the registration requirements of a Renewable Supplier and has obtained a CEC ID number from the Energy Commission. Following are specific instructions on filling out each section of CEC-1038E-1:

1. **Name of Facility** -- Current full name of the generating facility.
2. **QFID Number** -- The ID number assigned by your utility. This is sometimes also called the log number
3. **Physical Address of Facility** -- Actual physical location of the generating facility and the telephone and telefax numbers for the facility
4. **Contact Person** -- Name, title, telephone/telefax number, and email address of contact person for questions or concerns the Energy Commission may have
5. **Facility Owner** -- Name, address, and telephone and telefax numbers of the business or company that owns the facility
6. **Energy Source** -- Energy source used for generation at the facility
7. **Capacity of Facility** -- The sum capacity, in kilowatts, of all electrical generating equipment employed at the facility
8. **Operational Date** -- Date the facility began generating electricity
9. **Percentage of Fossil Fuel Used (if applicable)** -- Please indicate the overall percentage of fossil fuels used (if any) on a total energy input basis for the calendar year immediately prior to the date of application; if none, enter N/A
10. **Declaration** -- The declaration must be completed by an officer of the company such as the Chief Executive Officer, Chief Financial Officer, or a similar officer with authority to bind the company

E

REGISTRATION FORM FOR RENEWABLE SUPPLIERS



**Please submit form to:
California Energy Commission
Renewable Energy Program
1516 Ninth Street, MS-45
Sacramento, CA 95814-5512**

Please print or type.

Instructions for completing this form are contained in the Existing Renewable Facilities Guidebook.

FACILITY INFORMATION

1. Name of Facility			2. QFID Number	
3. Physical Address of Facility			Telephone	
City	State	Zip	Telefax	
4. Contact Person		Title		
Telephone	Telefax	E-mail Address		
5. Facility Owner		Title		
Address			Telephone	
			Telefax	
City		State	Zip	
6. Energy Source (check all that apply)				
<input type="checkbox"/> Biomass <input type="checkbox"/> Solar Thermal <input type="checkbox"/> Wind <input type="checkbox"/> Geothermal <input type="checkbox"/> Digester Gas <input type="checkbox"/> Landfill Gas <input type="checkbox"/> Municipal Solid Waste <input type="checkbox"/> Small Hydro <input type="checkbox"/> Photovoltaic <input type="checkbox"/> Waste Tire <input type="checkbox"/> Other (specify) _____				
7. Capacity of Facility (in kW)		8. Operational Date		9. % of Fossil Fuel used (if applicable)

10. DECLARATION

I, (print name and title) _____,
as an authorized officer of the above noted facility owner hereby declare under the penalty of perjury that the
information provided in this form is true and correct to the best of my knowledge.

Dated this _____ **day of** _____, **20**_____, **at** _____.

(day) (month) (year) (place of execution)

Signature: _____

Note: All data submitted on this form is subject to public disclosure

Instructions for CEC-1038E-2 Funding Eligibility Form for Renewable Suppliers

If a facility meets the eligibility requirements described in the guidebook for Existing Renewable Facilities Program, it may apply for funding using CEC-1038E-2. A vendor data record (STD-204) and authorized signatures form (CEC-1038E-4) must be submitted with the CEC-1038E-2 in order to receive funding. Following are specific instructions for completing each section of CEC-1038E-2:

Please select whether you are submitting an original application or submitting amendments to a previous application.

Select Original Application if you have never registered for funding eligibility for the facility in question. All items in the form must be completed or the application will not be accepted.

Select Amendment if you are changing information previously submitted to the Energy Commission (must have a CEC ID # previously assigned). Fill out the required information section, and any other information that has changed from previous filings. However, when the Energy Commission requires that all facilities update their information (requirement to receive ERFP funds starting January 2002), all items in the form must be completed.

1. **CEC ID Number** – The Registered Renewable Supplier ID number assigned to the facility by the Energy Commission (first time applicants leave this blank; this number will be assigned by the Energy Commission if your application is approved)
2. **Name of Facility** – Current full name of the generating facility.
3. **QFID Number** – The ID number assigned by your utility. This is sometimes also called the log number
4. **Contact Person** – Name, title, telephone/telefax number, and email address of contact person for questions or concerns the Energy Commission may have
5. **Physical Address of Facility** – Actual physical location of the generating facility and the telephone and telefax numbers for the facility
6. **Facility Owner** – Name, address, and telephone and telefax numbers of the business or company that owns the facility
7. **Payee Name** – Name and address to which payments are to be sent
8. **Qualifying Facility Status** – Indicate whether the facility is certified as a Qualifying Facility pursuant to section 292.207 of Title 18 of the Code of Federal Regulations
9. **Facility Ownership** – Indicate whether the facility is now, or has been in the past, owned by an investor-owned utility, or a local publicly owned electric utility

10. **Self-generation** – Indicate if **all** of energy generated at this facility is used exclusively on site (self-generation)
11. **CTC Exclusion** – Indicate if **all** of the energy generated at this facility is excluded from any applicable competitive transition charge (such as an over-the-fence transaction)
12. **Energy Sold to Out-of-State Customers** – Indicate if all of the energy generated at this facility is sold to customers located outside of California
13. **Energy Sold to Local Publicly-Owned Electric Utility Customers** -- Indicate if all of the energy generated at this facility is sold to customers of a local publicly-owned electric utility
14. **First Month's Generation** -- Indicate the month and year for the first month's generation for which you intend to submit an invoice to the Energy Commission
15. **Third-Party Billing Statement** – Include a copy of the most recent utility (or other independent third-party metering entity) billing statements (please include the entire statement)
16. **Type of Energy Contract** – Select whether you have a contract with an IOU, CA Department of Water Resources/California Power Authority, or other entity. Within each category please make the appropriate selections to further specify the type of contract the facility has.
17. **Energy Source** – Energy source used for generation at the facility
18. **Capacity** – The sum capacity, in kilowatts, of all electrical generating equipment employed at the facility
19. **Operational Date** – Date the facility began generating electricity
20. **Percentage of Fossil Fuel Used (if applicable)** – Please indicate the overall percentage of fossil fuels used (if any) on a total energy input basis for the 1996 calendar year; if none, enter N/A
21. **Energy Price** – Select whether you wish to have incentive payments from the ERF basing on an average monthly energy price or on time-of-use energy prices. The method selected here will remain in effect until the end of 2006.
22. **Declaration** – The declaration must be completed by an officer of the company such as the Chief Executive Officer, Chief Financial Officer, or a similar officer with authority to bind the company

E FUNDING ELIGIBILITY FORM FOR RENEWABLE SUPPLIERS



*RENEWABLE
ENERGY
PROGRAM*

CALIFORNIA ENERGY COMMISSION

Please submit form to:

**California Energy Commission
Renewable Energy Program
1516 Ninth Street, MS-45
Sacramento, CA 95814-5512**

Please print or type.

**Instructions for completing this form are
contained in the Existing Renewable Facilities
Guidebook.**

Please select one below

- ☐ Original Application (fill out all section of this form to be eligible for funding)
- ☐ Amendment (fill out the required section completely along with any other sections that require changes)

REQUIRED INFORMATION

1. CEC ID #	2. Name of Facility		3. QF ID #
4. Contact Person		Title	
Telephone	Telefax	E-mail Address	

FACILITY INFORMATION

5. Physical Address of Facility			Telephone
City	State	Zip	Telefax
6. Facility Owner			
Address			Telephone
			Telefax
City	State	Zip	
7. Payee Name (30 Characters Maximum, including spaces)			
Payee Address			Telephone
City	State	Zip	Telefax

Note: All data submitted on this form is subject to public disclosure

E FUNDING ELIGIBILITY FORM FOR RENEWABLE SUPPLIERS

ELIGIBILITY INFORMATION

8. Is the facility certified as a Qualifying Facility pursuant to Section 292.207 of Title 18 of the Code of Federal Regulations?

☐ Yes ☐ No

9. Is the facility now, or has the facility previously been, owned by an investor-owned or local publicly owned electric utility?

☐ Yes ☐ No

10. Is the **entire** output from this facility to be used **exclusively** for on-site (self) generation?

☐ Yes ☐ No

11. Is the entire output from this facility excluded from an applicable competitive transition charge?

☐ Yes ☐ No

12. Is the entire output from this facility sold directly to an out-of-state customer?

☐ Yes ☐ No

13. Is the entire output from this facility sold directly to a customer of a local publicly owned electric utility (such as a municipal utility)?

☐ Yes ☐ No

14. What is the first month's generation for which you plan to submit an invoice?

_____ Month _____ Year

15. Please include a copy of one of your recent billing statements from your utility (or other independent third-party metering entity).

16. Type of Energy Contract (Select one of the following three options)

☐ Investor Owned Utility

Utility

☐ PG&E ☐ SCE ☐ SDG&E ☐ Other (specify): _____

Contract Type

☐ SO1 ☐ SO2 ☐ SO3 ☐ ISO4 ☐ Negotiated ☐ Other (specify): _____

Is this facility currently receiving energy payments under an amendment to the above contract?

☐ NO (This facility is receiving energy payments under "traditional" SRAC values)

☐ YES (Provide information below)

Average Annual Value (cents/kWh) _____ Date Amendment Scheduled to end _____

☐ California Department of Water Resources/ California Power Authority

Specify date the contract is scheduled to end - _____

Price

☐ The price received for energy is currently above the target price [No supporting documentation required]

☐ The price received for energy is below the target price [Supporting documentation **IS** required]

(Select one below)

☐ Price _____ cents/kWh **OR** ☐ The price is provided with the supporting documentation.

Note: All data submitted on this form is subject to public disclosure

E FUNDING ELIGIBILITY FORM FOR RENEWABLE SUPPLIERS

ELIGIBILITY INFORMATION (CONT'D)

☐ OTHER (Specify) _____

☐ Energy paid under a Variable Price Contract

☐ Energy paid under a Fixed Price Contract. (Specify contract end date) _____

Price

☐ The price received for energy is currently above the target price [No supporting documentation required]

☐ The price received for energy is below the target price [Supporting documentation **IS** required]

☐ Price _____ cents/ kWh **OR** ☐ The price is provided with the supporting documentation.

17. Energy Source (check all that apply)

☐ Biomass

☐ Solar Thermal

☐ Wind

☐ Geothermal

☐ Digester Gas

☐ Landfill Gas

☐ Municipal Solid Waste

☐ Small Hydro

☐ Photovoltaic

☐ Waste Tire

☐ Other (specify) _____

18. Capacity of Facility (in kW)

19. Operational Date

20. % of Fossil Fuel used (if applicable)

21. I choose to have incentive payments from the ERFP based on the following (Please select one):

☐ Average Monthly Energy Price

☐ Time-of-Use Energy Prices

22. DECLARATION

I, (print name and title) _____, as the authorized officer of the above named facility owner hereby declare under penalty of perjury that the information provided in this form is true and correct to the best of my knowledge. I acknowledge that the eligibility and receipt of any payments from the Existing Renewable Facilities Program is based upon the requirements and conditions set forth in the Energy Commission's Overall Program Guidebook for the Renewable Energy Program and Existing Renewable Facilities Program Guidebook, and agree to abide by these requirements and conditions, to the extent applicable, at all times while receiving payments from the Existing Renewable Facilities Program.

Dated this _____ day of _____, 20____, at _____.
(day) (month) (year) (place of execution)

Signature: _____

ENERGY COMMISSION USE ONLY

Determination _____

(Attach separate sheets if necessary)

☐ Further information needed for determination (attach explanation)

Reviewer

Date

ID Number Assigned

Note: All data submitted on this form is subject to public disclosure

Instructions for CEC-1038E-3 Monthly Invoice Report for Renewable Suppliers

All suppliers wishing to receive funding from the California Energy Commission's Existing Renewable Facilities Program are required to submit a signed CEC-1038E-3 on a monthly basis. Failure to submit this form by the specified due dates (see the Existing Renewable Facilities Program Guidebook, Table 2, or the Energy Commission's web page, www.energy.ca.gov/renewables/), will result in forfeiture of payments for the specified month. Typically, invoices are due by the 10th of the second month following the month of generation (i.e. May 2003 generation is due July 10, 2003). All invoices must be accompanied by acceptable third-party verification (see guidebook for description of acceptable verification). If the third-party verification is **NOT** available by the invoice due date, you must still submit the invoice by the due date and select the "Estimated Generation" box in section 6 of the invoice form. You must then follow up with the third-party verification as soon as it is available. Following are specific instructions for completing each section of CEC-1038E-3:

ADJUSTMENT – If you are submitting an adjustment to a previous month's generation submittal, check this box next to section 1

1. **CEC ID #** – The Registered Renewable Supplier ID number assigned to the facility by the Energy Commission
2. **QFID #** -- The ID number assigned by your utility. This is sometimes also called the log number
3. **Facility Name/Owner** – Current full name of the generating facility. Include name of business or company that owns facility, if different than facility name. This information must correspond with the information provided in the Registration Form, CEC-1038E-2.
4. **Statement Period** – The billing month and year
5. **Please check one** -- Check the appropriate box in this section. If the production in section 5 is substantiated by an accompanying third party verification, select the first box; if you do not have appropriate third-party verification and are submitting an estimated generation amount, check the box labeled "Estimated Generation", and provide an explanation of why an estimate is being submitted along with the invoice.
6. **Production (in kWhs)** – Number of kWhs of generation eligible for funding in a given billing month, and based on the statement of an independent third party. Provide only total production if you have opted to receive payments based on average monthly energy prices.
7. **Contact** – The name of the person to contact in the event there is a problem with the invoice submitted

8. **Phone #** – Phone number of the contact person
9. **Fax #** -- Fax number of the contact person
10. **Declaration** -- The declaration must be completed by an officer of the company such as the Chief Executive Officer, Chief Financial Officer, or a similar officer with authority to bind the company

Invoices shall be submitted to the Energy Commission by the due dates shown in Table 2, Invoicing Schedule.

The Energy Commission must receive invoices no later than 11:59 p.m. if by telefax or 5 p.m. PST if by mail, on the due date specified in the Invoicing Schedule.

Suppliers who fail to invoice the Energy Commission properly for a given billing month, as specified herein, shall not receive payment for that billing month.

E**MONTHLY INVOICE REPORT FOR RENEWABLE SUPPLIERS
EXISTING RENEWABLE FACILITIES PROGRAM**

Please submit invoice to:

California Energy Commission
Renewable Energy Program
Attention: Accounting Office (MS-2)
1516 Ninth Street, Sacramento, CA 95814-5512
Telefax: (916) 653-1435

Instructions for completing this form are contained in the Guidebook
for the Existing Renewable Facilities Program

Please print or type

1. CEC ID #:	<input type="checkbox"/> ADJUSTMENT
2. QFID #:	3. Facility Name/Owner:

4. Statement Period:	5. Please check one: <input type="checkbox"/> Based upon attached third-party statement <input type="checkbox"/> Estimated Generation	
6. Production (in kWhs)	On-Peak	Mid-Peak/Partial-Peak
Total Generation	Off-Peak	Super Off-Peak

7. Contact:	8. Phone #:	9. Fax #:
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10. DECLARATION

I, (print name and title) _____, as an authorized officer of the above named facility owner hereby declare under penalty of perjury that the information provided in this invoice is true and correct to the best of my knowledge and that I am authorized to submit this invoice on the facility owner's behalf. I further declare under penalty of perjury that I have reviewed the electricity production data included in the attached statement(s), and, to the best of my knowledge, that it does not overstate the amount of electricity production supplied to the transmission grid or distribution system by the above named company, and that the following statements are true and correct to the best of my knowledge with respect to the energy identified in item 6 of this invoice: (a) the energy does not receive any energy payments under a high fixed price contract ; (b) the energy was not used for on-site (self) generation; (c) the energy does not receive monthly average energy payments at a price above the applicable target price; (d) the energy does not receive incentive payments from the Agricultural Biomass-to-Energy Incentive Grant Program; (e) the energy does not receive payments from the New Renewable Facilities Program; (f) the energy was not sold directly to a local publicly-owned electric utility customer; and (g) the energy was not sold directly to an out-of-state customer.

Dated this _____ day of _____, 20____, at _____.
(day) (month) (year) (place of execution)

Signature: _____

Note: All data submitted on this form is subject to public disclosure

Instructions for CEC-1038E-4 Authorized Signatures Form

All facilities requesting funding from the Existing Renewable Facilities Program must submit the CEC-1038E-4 form, Authorized Signature Form. Only monthly invoices signed by persons listed on this form shall be accepted. Any time an authorized signer needs to be added or removed, a revised CEC-1038E-4 needs to be submitted with the Amended Form box checked. Following are specific instructions for completing each section of CEC-1038E-4:

1. **CEC ID Number** – The Registered Renewable Supplier ID number assigned to the facility by the Energy Commission
2. **Facility Name/Owner** – Current full name of the generating facility. Include name of business or company that owns facility, if different than facility name. This information must correspond with the information provided in the Registration Form, CEC-1038E-2.
3. **Contact** – The name of the person to contact in the event there is a problem with the invoice submitted
4. **Phone Number** – Phone number of the contact person
5. **Fax Number** – Fax number of the contact person
6. **Authorized Signatures** – Print the names and provide signatures of all persons authorized to sign the Monthly Invoice Reports.
7. **Declaration** – The declaration must be completed by an officer of the company such as the Chief Executive Officer, Chief Financial Officer, or a similar officer with authority to bind the company

E**AUTHORIZED SIGNATURES FORM FOR RENEWABLE SUPPLIERS
EXISTING RENEWABLE FACILITIES PROGRAM**

*RENEWABLE
ENERGY
PROGRAM*

CALIFORNIA ENERGY COMMISSION

Please submit form to:

California Energy Commission
Renewable Energy Program
1516 Ninth Street (MS-45)
Sacramento, CA 95814-5512

Instructions for completing this form are contained in the
Guidebook for the Existing Renewable Facilities Program

Please print or type



AMENDED FORM

1. CEC ID #:

2. Facility Name/Owner:

3. Contact:

4. Phone #:

5. Fax #

6. Please print the names and provide signatures of all persons authorized to sign the Monthly Invoice Reports. Provide primary signer on the first line.

Print Name

Signatures

☐ ADD _____

☐ ADD _____

☐ ADD _____

☐ ADD _____

7. DECLARATION

I, (print name and title) _____, as an
officer of the above named facility owner hereby authorize the above named individual to submit monthly invoices on the
facility owner's behalf.

Dated this _____ day of _____, 20____, at _____.
(day) (month) (year) (place of execution)

Signature:

Note: All data submitted on this form is subject to public disclosure

Instructions for STD-204

Vendor Data Record

The State of California requires that all parties entering into business transactions that may lead to payment(s) from the State provide their Taxpayer Identification Number (TIN) as required by the State Revenue and Taxation Code, Section 18646, and Internal Revenue Code, Section 6109. This form must be on file with the Energy Commission in order for any payments to be made. If you have any questions about this form, please contact the California Franchise Tax Board at 1-800-852-5711. Following are instructions on filling out STD-204:

1. **Return Form To** -- Already completed by the Energy Commission
2. **Vendor information** -- Please enter your business name and address; if you are a sole proprietor, enter the owner's full name
3. **Vendor Entity Type** -- Please check the appropriate box
4. **Vendor's Taxpayer ID Number** -- Please enter your federal ID number. If you are an individual/sole proprietor, please enter your social security number
5. **Vendor Residency Status** -- Please check the appropriate box corresponding to your residency status
6. **Registering Signature** -- The registration must be signed by an authorized representative or officer such as the Chief Executive Officer or Chief Financial Officer of the corporation, or a similar officer with authority to bind the company

ARE YOU A RESIDENT OR A NONRESIDENT?

Each corporation, individual/sole proprietor, partnership, estate or trust doing business with the State of California must indicate their residency status along with their vendor identification number.

A corporation will be considered a "resident" if it has a permanent place of business in California. The corporation has a permanent place of business in California if it is organized and existing under the laws of this state or, if a foreign corporation has qualified to transact intrastate business. A corporation that has not qualified to transact intrastate business (e.g., a corporation engaged exclusively in interstate commerce) will be considered as having a permanent place of business in this state only if it maintains a permanent office in this state that is permanently staffed by its employees.

For individuals/sole proprietors, the term "resident" includes every individual who is in California for other than a temporary or transitory purpose and any individual domiciled in California who is absent for a temporary or transitory purpose. Generally, an individual who comes to California for a purpose which will extend over a long or indefinite period will be considered a resident. However, an individual who comes to perform a particular contract of short duration will be considered a nonresident.

For withholding purposes, a partnership is considered a resident partnership if it has a permanent place of business in California. An estate is considered a California estate if the decedent was a California resident at the time of death and a trust is considered a California trust if at least one trustee is a California resident.

More information on residency status can be obtained by calling the Franchise Tax Board at the numbers listed below:

From within the United States, call 1-800-852-5711
From outside the United States, call 1-916-854-6500
For hearing impaired with TDD, call 1-800-822-6268

ARE YOU SUBJECT TO NONRESIDENT WITHHOLDING?

Payments made to nonresident vendors, including corporations, individuals, partnerships, estates and trusts, are subject to withholding. Nonresident vendors performing services in California or receiving rent, lease or royalty payments from property (real or personal) located in California will have 7% of their total payments withheld for state income taxes. However, no withholding is required if total payments to the vendor are \$1500 or less for the calendar year.

A nonresident vendor may request that income taxes be withheld at a lower rate or waived by sending a completed form FTB 588 to the address listed below. A waiver will generally be granted when a vendor has a history of filing California returns and making timely estimated payments. If the vendor activity is carried on outside of California or partially outside of California, a waiver or reduced withholding rate may be granted. For more information, contact:

Franchise Tax Board
Withhold at Source Unit
Attention: State Agency Withholding Coordinator
P.O. Box 651
Sacramento, CA 95812-0651
Telephone: (916) 845-4900
FAX: (916) 845-4831

If a reduced rate of withholding or waiver has been authorized by the Franchise Tax Board, attach a copy to this form.

PRIVACY STATEMENT

Section 7(b) of the Privacy Act of 1974 (Public Law 93-5791) requires that any federal, state, or local governmental agency which requests an individual to disclose his social security account number shall inform that individual whether that disclosure is mandatory or voluntary, by which statutory or other authority such number is solicited, and what uses will be made of it.

The State of California requires that all parties entering into business transactions that may lead to payment(s) from the State must provide their Taxpayer Identification Number (TIN) as required by the State Revenue and Taxation Code, Section 18646 to facilitate tax compliance enforcement activities and to facilitate the preparation of Form 1099 and other information returns as required by the Internal Revenue Code, Section 6109. The TIN for individual and sole proprietorships is the Social Security Number (SSN).

It is mandatory to furnish the information requested. Federal law requires that payments for which the requested information is not provided be subject to a 31% withholding and state law imposes noncompliance penalties of up to \$20,000.

You have the right to access records containing your personal information, such as your SSN. To exercise that right, please contact the business services unit or the accounts payable unit of the state agency(ies) with which you transact business.

Please call the Department of Finance, Fiscal Systems and Consulting Unit at (916) 324-0385 if you have any questions regarding this Privacy Statement. Questions related to residency or withholding should be referred to the telephone numbers listed above. All other questions should be referred to the requesting agency listed in Section 1.